



HALLIBURTON ENERGY SERVICES

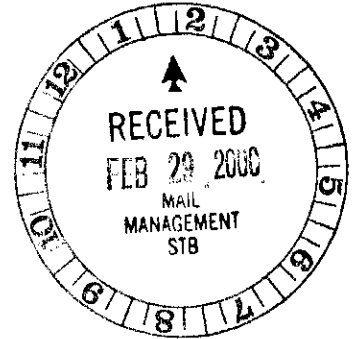
3000 N. Sam Houston Parkway East (77032) / Post Office Box 1675 / Houston, TX 77251 / 281-871-5900

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February 25, 2000

Surface Transportation Board
Office of the Secretary
Case Control Unit
1925 K Street, N.W.
Washington, DC 20423-0001

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Office of the Secretary
FEB 29 2000
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Public Record



Attn: STB Ex Parte No. 582

Dear Sir:

This is in reference to the recent announcement by the BNSF to merge with the CN forming the largest railroad entity in North America. I, David Lipka, am the Transportation Manager for Halliburton Energy Services who oversees a transportation budget in excess of \$40 MM per year where our annual expenses utilizing railroad service exceeds \$8 MM. I want to take a brief moment to express my deepest concern in addressing the BNSF merger with CN.

Given the extremely poor performance of the recent three big mega mergers over the last several years, I feel it is too premature to allow or even consider an even larger merger to take place. The railroad industry has demonstrated repeatedly they do not know how to consolidate large prosperous railroad companies together without adversely effecting service to their customers. I am fortunate the recent Conrail divestiture fiasco did not effect my company directly. When both the BNSF and UP went through their mergers, I had to weather many complaints from customers because of poor rail service. I presently am still experiencing an unnecessary financial commitment to the car Lessors for additional equipment I had to lease because of the poor turnaround times which we experienced during the UP's difficulties.

Furthermore, I am at a loss on how the BNSF and CN can claim the proposed merger will benefit them financially. All the recent mergers have cost the railroads money over the short run instead of enhancing profitability. Shareholder value for the acquiring railroad has actually declined. Wall Street is finally starting to wake up to this reality and will probably not be receptive to the proposed merger. Again, the shareholder is the loser if the merger is allowed to be consummated.

The number of large rail carriers in the United States has shrunk dramatically over the past 20 years. I do not see any economical basis of further consolidation of the industry at this time.

The railroad industry should now take the time to fully absorb the companies they have taken over in the last five years. The industry as a whole must now demonstrate to the public that they are striving to achieve more consistent dependable service to their customers and at the same time becoming smarter in the way they do business to enhance shareholder value. Accomplishing the above will take hard work and time. Further railroad consolidations will only create more inefficiencies, which is contrary to the goals the rail industry should be striving for.

In summary, I do not feel it is in the public's best interest to further consolidate the rail industry at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "David Lipka". The signature is fluid and cursive, with a large loop at the end.

David Lipka
Transportation Manager - HES Logistics
Halliburton Energy Services

jbl